weekly economic review

August 23, 2013

Consumer Price Index (CPI)

Inflation stays above 2%

Consumer price inflation in Alberta came in above 2.0% for the third straight month in July. The province's 2.2% inflation rate was the third highest rate in the country, and was roughly unchanged from June and July. Inflation excluding food and energy was 1.9% in July up from 1.6% in the previous month. Inflation excluding these volatile categories has edged up over the last three months (see Chart), reflecting increases in the cost of accommodation, clothing and footwear as well as household operations, furnishings and equipment.

Canada's inflation rate edged up to 1.3% in July from 1.2% in the previous month, largely due to stronger increases in gasoline and shelter costs. The core inflation rate, which strips out volatile components and is used by the Bank of Canada to gauge inflationary pressures, increased to a 1.4%, below its target of 2.0%.

Retail Sales

Retail spending dips in June, but still up sharply over last year

Alberta's retail sales edged down 0.6% in June to $6.1 billion. The retail numbers were likely impacted by the Southern Alberta flood in late June, which resulted in supply disruptions and closures of several retail outlets. Despite the monthly dip, the province's retail sales were up a sharp 7.7% year-over-year, reflecting higher spending at automobile dealers (11.3%) and gasoline stations (7.7%). Alberta posted the highest year-over-year and year-to-date growth among all provinces in June.

Canadian retail sales were down 0.6% in June from the previous month mainly due to less sales at food and beverage stores. On a year-over-year basis, national sales were up 3.1%.

Employment Insurance (EI)

Albertans receiving benefits creeps up

The number of people receiving regular EI benefits in Alberta ticked up 4.0% in June to 29,500. Both Edmonton (+6.4%) and Calgary (+1.7%) saw month-over-month increases in the number of people receiving benefits. Compared with June 2012, the number of EI recipients increased 3.8%, the first year-over-year increase in over three years.

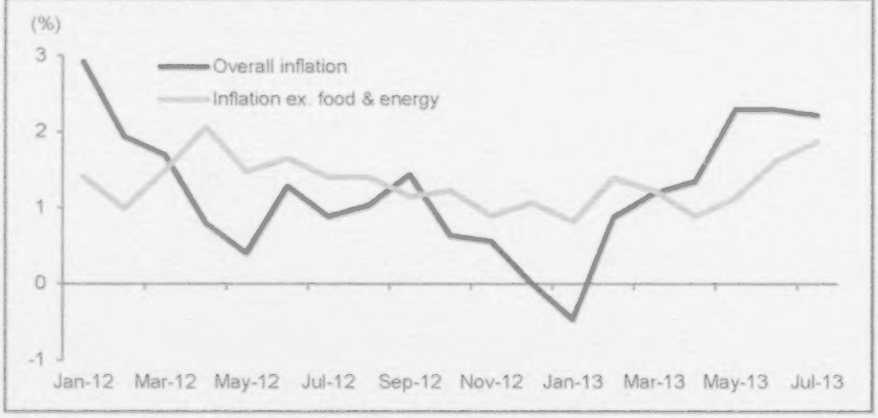
Nationally, the number of people receiving EI benefits rose 0.9% in June to 512,300, but 6.4% lower than the same month last year.

Job Vacancies

Alberta's job vacancy rate highest among provinces

Alberta's job vacancy rate, the number of vacancies as a share of labour required (jobs and unfilled jobs), averaged 2.5% between March and May 2013. This rate has remained unchanged for the past five months, well above the national rate of 1.5%. Over the same period, there were 2.3 unemployed people for every job opening in Alberta, much lower than the national average of 6.3. These results suggest that labour market conditions are much tighter in Alberta relative to other provinces.

Alberta CPI inflation (year-over-year change)



Source: Statistics Canada

Closing Price	August 15, 2013	August 22, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	96.71	95.13	97.18
WTI Oil ($US/bbl)	107.33	105.03	99.30
NYMEX Natural Gas($US/MMBtu)	3.42	3.55	3.83

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Alberta Economic Indicators

Population	2011	2012	2013YTD	Feb	Mar	Apr	May	June	July
Population (000's)	3,778	3,874	3,965	..	..	3,965	..	..	..
y/y % change	1.5	2.5	3.2	..	..	3.2	..	..	..
Net Interprovincial Migration[1]	8,443	28,179	38,886	..	..	13,436	..	..	..
Net International Migration[1]	16,703	37,990	30,779	..	..	13,674	..	..	..
Net Non-permanent Residents[1]	7,604	9,721	9,762	..	..	6,949	..	..	..
Labour Market									
Employment (000's), SA	2,094	2,150	2,189	2,179	2,168	2,183	2,201	2,201	2,217
y/y % change	3.8	2.7	2.3	2.5	1.7	1.9	2.3	2.6	3.0
Unemployment Rate (%), SA	5.5	4.6	4.6	4.5	4.8	4.4	4.6	5.0	4.5
Participation Rate (%), SA	73.7	73.4	72.9	72.9	72.6	72.5	73.3	73.1	73.0
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,099.04	1,099.51	1,098.08	1,099.83	1,113.04	..	..
y/y % change	4.4	3.6	3.9	4.5	3.4	3.5	4.9	..	..
Price Indices									
NEW: Consumer Price Index (y/y % change)	2.4	1.1	1.4	0.9	1.2	1.3	2.3	2.3	2.2
Excluding food and energy	0.8	1.4	1.3	1.4	1.2	0.9	1.1	1.6	1.9
Non-Res. Building Const. Price Index[2] (y/y % change)	3.4	3.8	1.1	..	1.4	..	..	0.9	..
Farm Product Price Index (y/y % change)	17.7	6.4	4.6	5.2	4.4	..	..	..	..
Crops	18.7	6.5	9.3	9.6	9.3	..	..	..	..
Livestock	16.9	6.2	0.2	1.1	0.1	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	36.5	35.4	35.1	39.8	42.4	37.9	33.6
y/y % change	5.1	29.9	9.2	10.9	1.0	0.3	26.4	12.3	1.2
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.5	2.6	2.4	2.5	2.7	2.9	..
Edmonton	0.9	0.9	0.6	1.0	0.6	0.4	0.2	0.6	..
Calgary	-0.1	1.7	4.5	4.3	4.3	4.7	5.3	5.3	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	376.0	376.6	378.0	375.8	375.6	376.5	377.1
y/y % change	0.5	2.6	4.6	5.2	5.8	4.0	2.9	4.4	4.4
Edmonton ($ 000's)	324.2	332.7	340.9	340.8	342.3	345.3	339.6	344.7	340.0
y/y % change	-0.7	2.6	2.7	1.3	3.3	4.7	1.1	3.7	2.6
Calgary ($ 000's)	401.9	410.8	432.1	436.0	435.2	425.4	424.8	431.0	438.3
y/y % change	1.1	2.2	6.1	8.0	7.6	3.5	2.6	5.3	6.8
NEW: Retail Sales, SA (y/y % change)	6.8	6.9	6.5	7.7	5.1	6.8	7.3	7.7	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.6	6.5	0.1	19.7	7.0	3.4	..
Consumer Bankruptcies	7029	5759	1751	412	429	464	434	..	..
y/y % change	-13.8	-18.1	-18.2	-22.7	-24.5	-11.3	15.7	..	..
Business Sector									
Rigs Drilling	286	250	229	422	306	115	86	115	187
y/y % change	30.4	-12.6	-9.5	-8.1	-9.4	-18.2	0.0	-17.3	-5.7
Goods Exports, customs based (y/y % change)	18.4	1.8	2.1	2.0	0.0	-1.0	11.6	-0.5	..
Energy	19.2	2.1	2.1	3.9	-1.4	-2.4	12.3	0.4	..
Farm, Fishing and Intermediate Food	27.2	20.6	0.7	6.7	5.4	-6.4	7.1	16.0	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	..	9.3	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	1.4	-1.1	-3.6	-3.7	0.8	2.7	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.3	6.4	2.7	-0.3	0.0	..	..
Building Permits, SA (y/y % change)	11.8	14.7	19.2	19.9	38.6	13.4	1.2	24.3	..
Residential	5.2	17.7	14.8	7.8	14.6	18.4	12.3	15.8	..
Non-residential	20.9	11.0	24.7	36.1	72.1	5.1	-12.0	36.1	..
Business Bankruptcies	264	230	51	14	12	15	11	..	..
y/y % change	-30.2	-12.9	-39.3	-44.0	-36.8	-25.0	-60.7	..	..

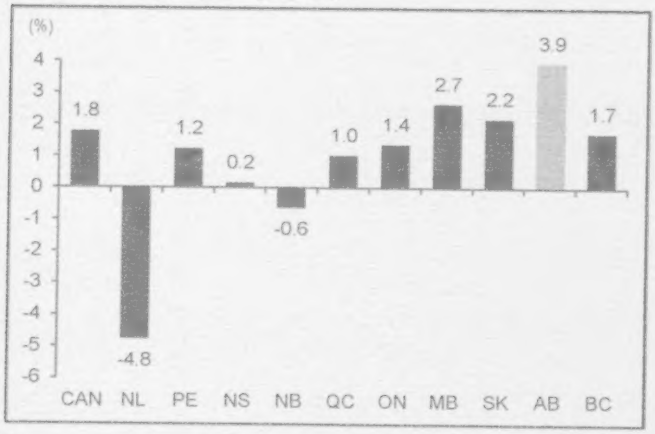
1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the superintendent of Bankruptcy Canada).

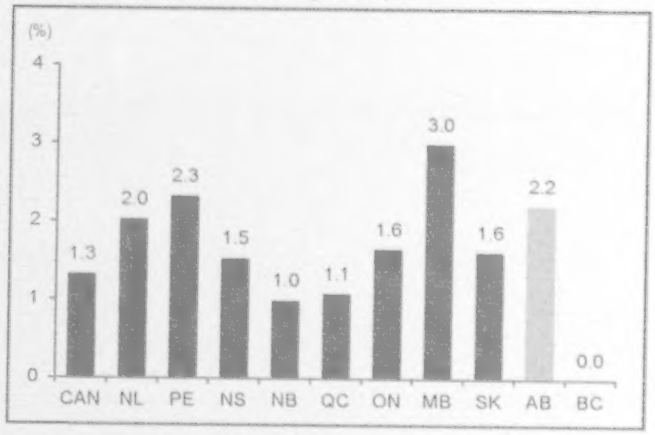
All historical data are subject to revision.

Economic Indicators by Province

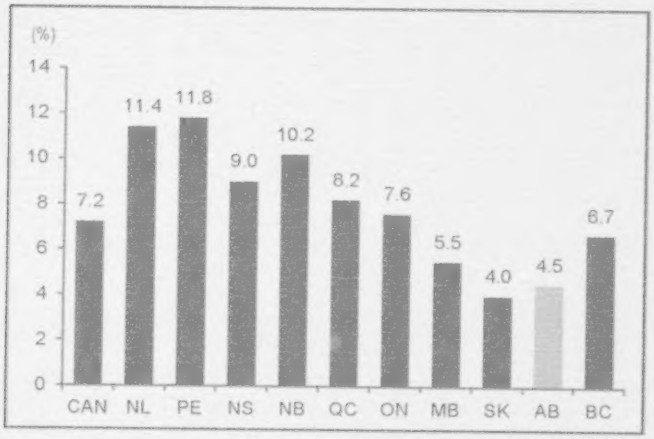
Real GDP by Industry
(2012, year-over-year growth)



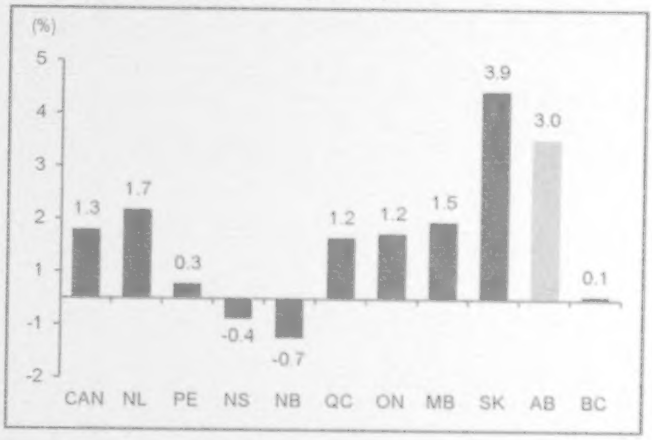
CPI Inflation
(July 2013, year-over-year growth)



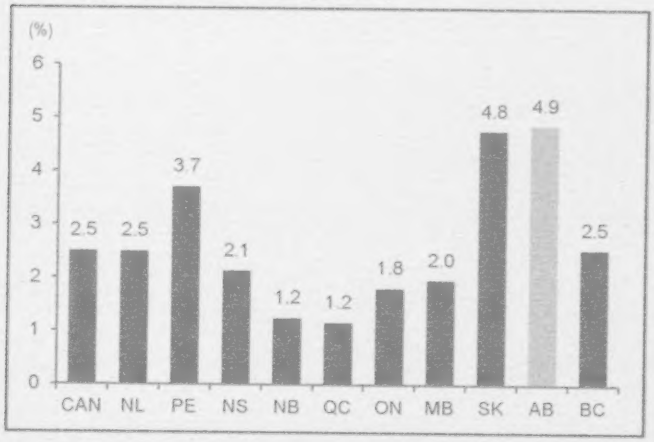
Unemployment Rate
(July 2013)



Employment
(July 2013, year-over-year growth)



Average Weekly Earnings
(May 2013, year-over-year growth)



Housing Starts
(July 2013, SAAR, year-over-year growth)